

MICHIGAN CORPORATION AND SECURITIES BUREAU

RELEASE NO. 95-1-DM

TO: ALL INTERESTED PARTIES

SUBJECT: Requirements for Additional Officers or Directors

General Background:

Section 6(1) of the Debt Management Act, as amended (the "Act"), states that "Upon the filing of the application...the department shall investigate the facts and shall issue a license to an applicant if it finds that the financial responsibility, experience, character, and general fitness of the applicant... of the officers and directors if the applicant is a corporation, are such as to command the confidence of the community to warrant belief that the business will be operated fairly and honestly within the provisions of this act." Rule 2(5) states that "the original application shall be accompanied by a business history form, three affidavits of character, and a fingerprint card for each officer and director of an association or corporation, for each partner if a partnership, and for each proprietor, counselor and officer manager." A question has been raised concerning the necessity of submitting the items under Rule 2(5) if the referenced parties are added after the original application has been filed.

Action or Interpretation:

Because an officer, counselor or office manager is an integral part of any debt management firm's business, it is essential for the Bureau to evaluate the experience, character and general fitness of such individuals. In order to make this evaluation a business history form, three affidavits of character and a fingerprint card must be submitted, whether such individual is identified with the original application or added at a later date.

In lieu of submitting the items under Rule 2(5) for non-officer directors or trustees, an authorized representative of the licensee may represent in writing that none of the prohibitions under Section 6(2)(a) are applicable.

Authority:

Act 148 of 1975.

Signed by Carl L. Tyson, Director
Corporation and Securities Bureau
Dated: September 8, 1995